

State of Utah  
School & Institutional  
Trust Lands Administration

Jon M. Huntsman, Jr.  
Governor

Kevin S. Carter  
Director

675 East 500 South, Suite 500  
Salt Lake City, UT 84102-2818  
801-538-5100  
801-355-0922 (Fax)  
[www.trustlands.com](http://www.trustlands.com)

JUN 10

June 4, 2008

Donald R. Metzler  
U.S. Department of Energy  
200 Grand Avenue  
Grand Junction, CO 81501

**RE: Easement No. 1345 – Moab UMTRA Project Water Pipeline Easement**

Dear Mr. Metzler,

Enclosed for your file is a fully executed original of the above referenced easement agreement.

Sincerely,

Chris Fausett  
Trust Lands Resource Specialist

**E A S E M E N T****Fund: School  
Easement No. 1345**

THIS AGREEMENT is entered into as of the 1st day of May 2008 (the "Effective Date"), between THE STATE OF UTAH, by and through the School and Institutional Trust Lands Administration ("GRANTOR"), and the UNITED STATES OF AMERICA, Department of Energy, 200 Grand Avenue, Grand Junction CO 81501 ("UNITED STATES" or "GRANTEE"), represented by the officer executing this agreement, pursuant to Moab/UMTRA project legislation, in consideration of the payment of \$6,104.00 for the DOE Term [defined below], plus a \$750.00 application fee, receipt of which is acknowledged. GRANTOR hereby grants the right to construct, operate, inspect, remove, replace, maintain and repair a 6-inch water pipeline to service the Moab Uranium Mill Tailings Reclamation project (the "Project"), and ancillary facilities including valves, valve boxes, manholes, pumps, pump stations, and other transmission and distribution facilities, together with the right to excavate and place fill as needed on state trust lands (the "Easement Lands") described as follows:

**GRAND COUNTY**

Township 21 South, Range 17 East, SLB&M  
Section 36: SW $\frac{1}{4}$ SW $\frac{1}{4}$  (within)

A 20 foot wide permanent easement being 10 feet on each side of its centerline, along with a 60 foot wide temporary construction easement being 30 feet on each side of the centerline, said centerline being described as follows:

Beginning at a point which is N0°43'53"E, 494.74 feet along the section line from the Southwest corner of Section 36, Township 21 South, Range 17 East, SLB&M; thence S60°19'15"E, 228.43 feet; thence S60°07'20"E, 769.22 feet to the south line of said Section 36 at a point which is S89°53'42"E, 871.77 feet along the section line from the Southwest corner of said Section 36. Containing 0.46 acres more or less.

Township 21 South, Range 19 East, SLB&M  
Section 33: NW $\frac{1}{4}$  (within)

A 20 foot wide permanent easement being 10 feet on each side of its centerline, along with a 60 foot wide temporary construction easement being 30 feet on each side of the centerline, said centerline being described as follows:

Beginning at a point which is S0°05'25"W, 1501.24 feet along the section line from the Northwest corner of Section 33, Township 21 South, Range 19 East, SLB&M; thence N25°13'09"E, 839.85 feet; thence N50°16'03"E, 1160.57 feet to the north line of said Section 33 at a point which is N89°58'54"E, 1248.01 feet along the section line from the Northwest corner of said Section 33. Containing 0.92 acres more or less.

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Gov State

Township 22 South, Range 18 East, SLB&M  
Section 2: SW $\frac{1}{4}$ , NE $\frac{1}{4}$  (within)

A 20 foot wide permanent easement being 10 feet on each side of its centerline, along with a 60 foot wide temporary construction easement being 30 feet on each side of the centerline, said centerline being described as follows:

Beginning at a point which is N0°24'43"E, 2273.79 feet along the section line from the Southwest corner of Section 2, Township 22 South, Range 18 East, SLB&M; thence N77°52'21"E, 5394.88 feet to the east line of said Section 2 at a point which is S0°00'17"E, 2310.64 feet along the section line from the Northeast corner of said Section 2. Containing 2.48 acres more or less.

TO HAVE AND TO HOLD subject to the following terms and conditions and any valid and existing rights. This Easement is granted only for the purpose described above as far as it is consistent with the principles and obligations in the Enabling Act of Utah (Act of July 16, 1894, Ch. 138, 28 Stat. 107) and the Constitution of the State of Utah.

1. GRANTEE shall pay for all cost and expense in connection with the construction, operation, repair, replacement, and maintenance of said water pipeline across trust lands. Unless expressly stated otherwise herein, said pipeline shall be constructed in accordance with that certain Plan of Development attached hereto at Exhibit A and incorporated by reference.

2. Should excess pipeline capacity, as determined by GRANTEE in its reasonable discretion, become available at any time during the term of this Easement, GRANTEE shall notify GRANTOR and GRANTOR shall have the right to utilize such excess capacity and ancillary facilities to deliver water for the benefit of GRANTOR and its designees at a point located in the northwest quarter of Section 33 of Township 21 South, Range 19 East. GRANTOR acknowledges that other public entities may have the right to use any such excess capacity in priority equal to GRANTOR's right to the same but shall be responsible for their own costs. In the event GRANTOR exercises its right to utilize the excess capacity, and so long as GRANTEE is the UNITED STATES, GRANTEE agrees to obtain all necessary easements and arrangements for the construction and operation of the pipeline, water collection facilities on private and federal lands, and the use of the pipeline and ancillary facilities by GRANTOR. If using such excess capacity, GRANTOR shall be responsible for providing water rights to support its water use; construction of a pipeline tap at the delivery point; payment of its pro rata share of GRANTEE's out-of-pocket direct operating costs during periods of GRANTOR's excess capacity use; and water distribution, storage and treatment costs downstream from the delivery point. GRANTOR's right to excess capacity shall survive assignment of any interest hereunder.

3. The UNITED STATES shall remain GRANTEE under this Easement for a term of 30 years from the Effective Date, subject to two (2) options to renew for a period of five (5) years each, or until completion of the Project, whichever occurs first (cumulatively the "DOE Term"). The cost of each five-year renewal option shall be based on fair market value of the Easement Lands to be

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determined as of the date of extension. Upon expiration of the DOE Term, the UNITED STATES may assign the entire pipeline project and associated water rights to Grand County or a public special service district designated by Grand County subject to the provisions of Paragraph 9. If no local government, authority, or entity is willing or able to control, maintain and keep the pipeline and ancillary facilities in good repair for perpetual public use, the easement shall be abandoned by the UNITED STATES as described in Paragraph 7.

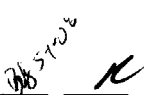
4. GRANTEE represents that it has notified holders of state issued interests in the area surrounding the Easement, as set forth in Exhibit B attached hereto, of GRANTEE's rights and plans hereunder. GRANTEE represents that the location and construction of this Easement will not unreasonably interfere with or cause damage to such other existing users.

5. The grant of easement shall include the present and future right to cut down and clear away or otherwise remove any and all brush, timber, trees, hazards, unauthorized structures or any other materials deemed by the GRANTEE to interfere with the safe operation and maintenance of the pipeline and pump stations, provided however, that growing crops, excluding orchards, shall not be considered to be hazards. The GRANTEE may trim, cut, or remove trees or branches over or on or extending within the easement area. All materials so removed shall become the property of the GRANTEE and shall be properly disposed of by the GRANTEE.

6. If GRANTOR determines that GRANTEE, its assigns or successors in interest have breached any conditions of this Easement, GRANTOR shall notify the breaching party (parties) in writing by certified mail, return receipt requested, specifying the particular breach. The breaching party (parties) shall have thirty (30) days from the date of such notice, or such longer period as may be required under the circumstances as approved by GRANTOR to correct such breach. If breaching party (parties) fails (fail) to correct such breach within such period, GRANTOR may terminate this Easement without further notice; provided, however, such termination shall not release breaching party (parties) from liability for damage prior to such termination.

7. In the event of permanent abandonment of any or all rights to the easement granted herein to the UNITED STATES, said abandonment shall be effected by the execution and recording of a quitclaim deed by the UNITED STATES in favor of the GRANTOR, or his successors, and the easement granted herein, or any portions therein abandoned, shall terminate. The UNITED STATES, or its assigns, shall have the right to remove, within a reasonable time, all its equipment, fixtures, appurtenances, and other improvements furnished and installed on the easement by or on behalf of the UNITED STATES, from such abandonment area whether before or after execution of the quitclaim deed. The UNITED STATES shall restore the premises, when such restoration is required in connection with the UNITED STATES' activities, to the extent reasonably practical, to the condition existing at the time of initiation of the UNITED STATES' activities.

8. GRANTEE agrees for itself, successors and assigns that any suit brought by GRANTEE, its successors or assigns concerning this Easement may be maintained only in the Utah State District Court of Salt Lake County.

Initials:   
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9. The acquisition or assumption by another party under an agreement with GRANTEE of any right or obligation of GRANTEE under this Easement shall be subject to GRANTOR's right to use excess pipeline capacity, and shall be ineffective as to GRANTOR unless and until GRANTOR shall have been notified of such agreement and shall have recognized and approved the same in writing, and in no case shall such recognition or approval be given unless such other party is acceptable to GRANTOR as a grantee, and assumes in writing all of the obligations of GRANTEE under the terms of this Easement as to the balance of the term thereof, or acquires the rights in trust as security.

10. It is expressly understood and agreed that the right herein granted is non-exclusive and GRANTOR hereby reserves the right to dispose of the property by sale or exchange, or to issue other non-exclusive easements, leases, permits, including the right to lease said land for the exploration, development and production of oil, gas and all other minerals, together with the right of ingress and egress across said Easement, where such uses are appropriate and compatible with any of the rights and privileges herein granted to the GRANTEE, and will not constitute a safety hazard to the UNITED STATES. The UNITED STATES will notify the GRANTOR in writing of any activity authorized by the GRANTOR within the easement area that constitutes a safety hazard, or interferes with any of the rights and privileges herein granted.

11. It is hereby understood and agreed that all treasure-trove, all articles of antiquity, and critical paleontological resources in or upon the subject lands are and shall remain the property of GRANTOR. GRANTEE agrees that all costs associated with archeological and paleontological investigations on the subject lands that may be required by GRANTOR will be borne by GRANTEE. GRANTEE further agrees to cease all activity on the subject lands and immediately notify GRANTOR if any discovery of human remains or a "site" or "specimen," as defined in Section 9-8-302 or 63-73-1 Utah Code Annotated (1953), as amended, is made on the subject lands, and continue to cease all construction or maintenance therein until such time as the human remains, "site" or "specimen" in question has been treated to the satisfaction of GRANTOR.

12. GRANTOR claims title in fee simple, but does not warrant to GRANTEE the validity of title to these premises. GRANTEE shall have no claim for damages or refund against GRANTOR for any claimed failure or deficiency of GRANTOR's title to said lands or for interference by any third party.

13. This Easement is granted pursuant to the provisions of all applicable laws and subject to the rules of the departments and agencies of the State of Utah presently in effect and to such laws and rules as may be hereafter promulgated by the State.

14. Any notice contemplated herein to be served upon GRANTEE shall be in writing and shall be deemed sufficient if deposited in the United States mail, postage prepaid and certified or registered, and addressed as follows:

United States Department of Energy

Initials: <sup>25103</sup>  
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200 Grand Avenue  
Grand Junction CO 81501

or at any such other address as GRANTEE may from time to time designate by written notice to GRANTOR.

15. This Easement shall be interpreted and governed by the laws of the State of Utah and the provisions hereof shall inure to and be binding upon the successors and assigns of GRANTEE.

16. No Waiver of Conditions by GRANTOR of any default of GRANTEE or failure of GRANTOR to timely enforce any provisions of this Easement shall constitute a waiver of or constitute a bar to subsequent enforcement of the same or other provisions of this Easement. No provision in this Easement shall be construed to prevent GRANTOR from exercising any legal or equitable remedy it may otherwise have.

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IN WITNESS WHEREOF, the State of Utah, by and through the School and Institutional Trust Lands Administration, has caused these presents to be executed this 4<sup>th</sup> day of June, 2008 by the Director.

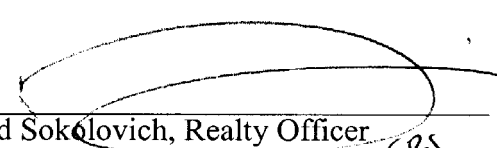
GRANTOR: STATE OF UTAH  
School and Institutional  
Trust Lands Administration  
675 East 500 South, Suite 500  
Salt Lake City, Utah 84102-2818

By:

  
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KEVIN S. CARTER, DIRECTOR

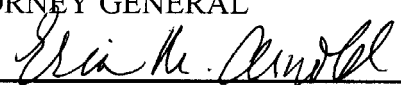
GRANTEE: UNITED STATES OF AMERICA  
Department of Energy  
200 Grand Avenue  
Grand Junction, Colorado 81501

By:

  
\_\_\_\_\_  
Bud Sokolovich, Realty Officer *cs*

APPROVED AS TO FORM  
MARK L. SHURTLEFF  
ATTORNEY GENERAL

By:

  
\_\_\_\_\_  
Special Assistant Attorney General

Director's Initial Review: *K*

Initials: *CS*

Gov *K* State

STATE OF UTAH

COUNTY OF SALT LAKE

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On the 4<sup>th</sup> day of June, 2008, personally appeared before me Kevin S. Carter, who being duly sworn did say that he is the Director of the Utah School and Institutional Trust Lands Administration, and authorized to execute the above instrument.

My commission expires: 2/23/11

Linda Bianchi  
Notary Public, residing at:



STATE OF OHIO

COUNTY OF HAMILTON

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On the 15<sup>th</sup> day of May, 2008, personally appeared before me Bud Sokolovich, who being duly sworn did say that he is the Realty Officer of the United States Department of Energy, and authorized to execute the above instrument.

My commission expires: 09/15/09

Michelle Farris  
Notary Public, residing at: CINCINNATI, OH



MICHELLE FARRIS  
NOTARY PUBLIC - OHIO  
In and for the State of Ohio  
My Commission Expires 09-15-09

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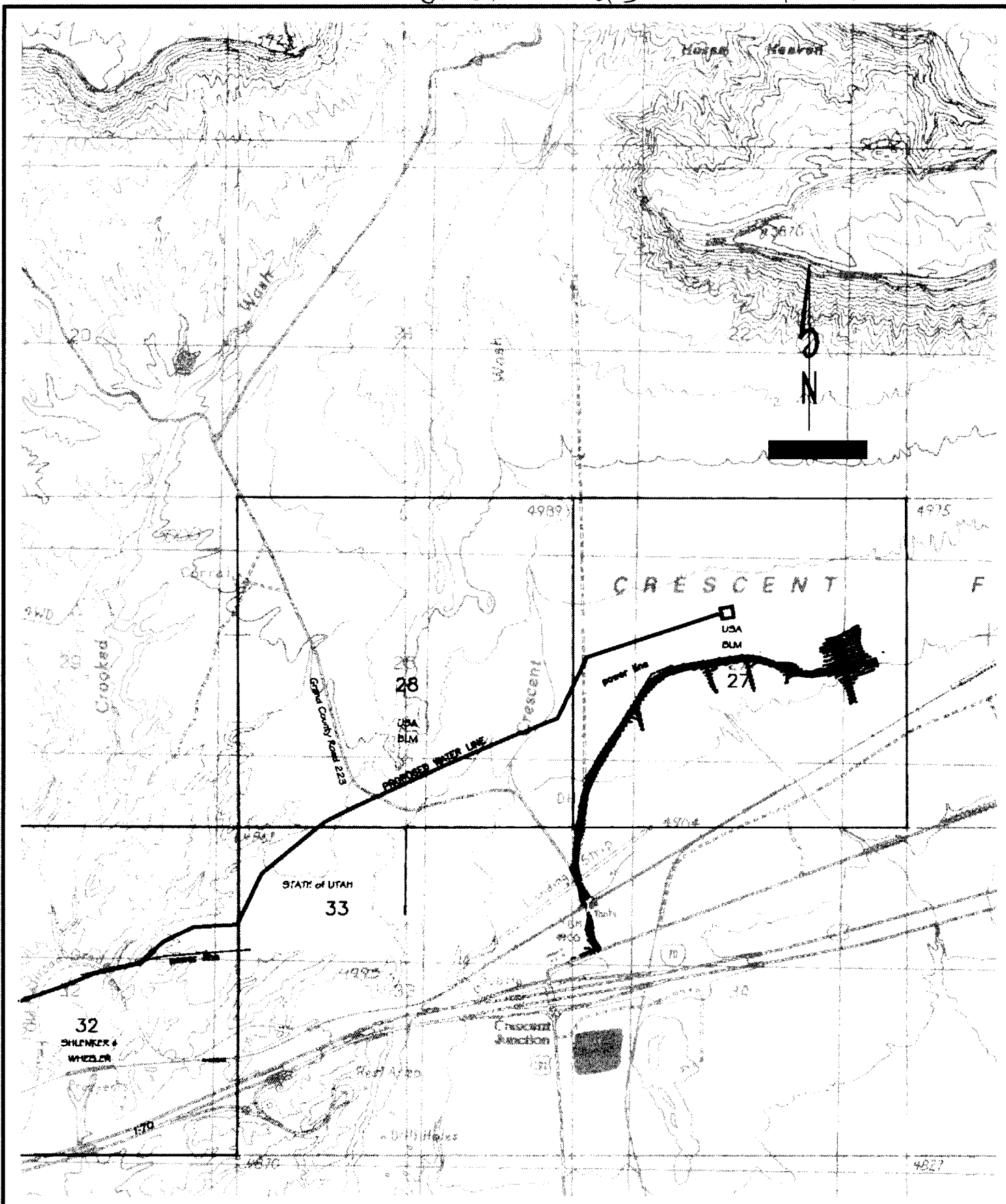


**EXHIBIT A**  
**Plan of Development**

See

Attachments (3 pages)

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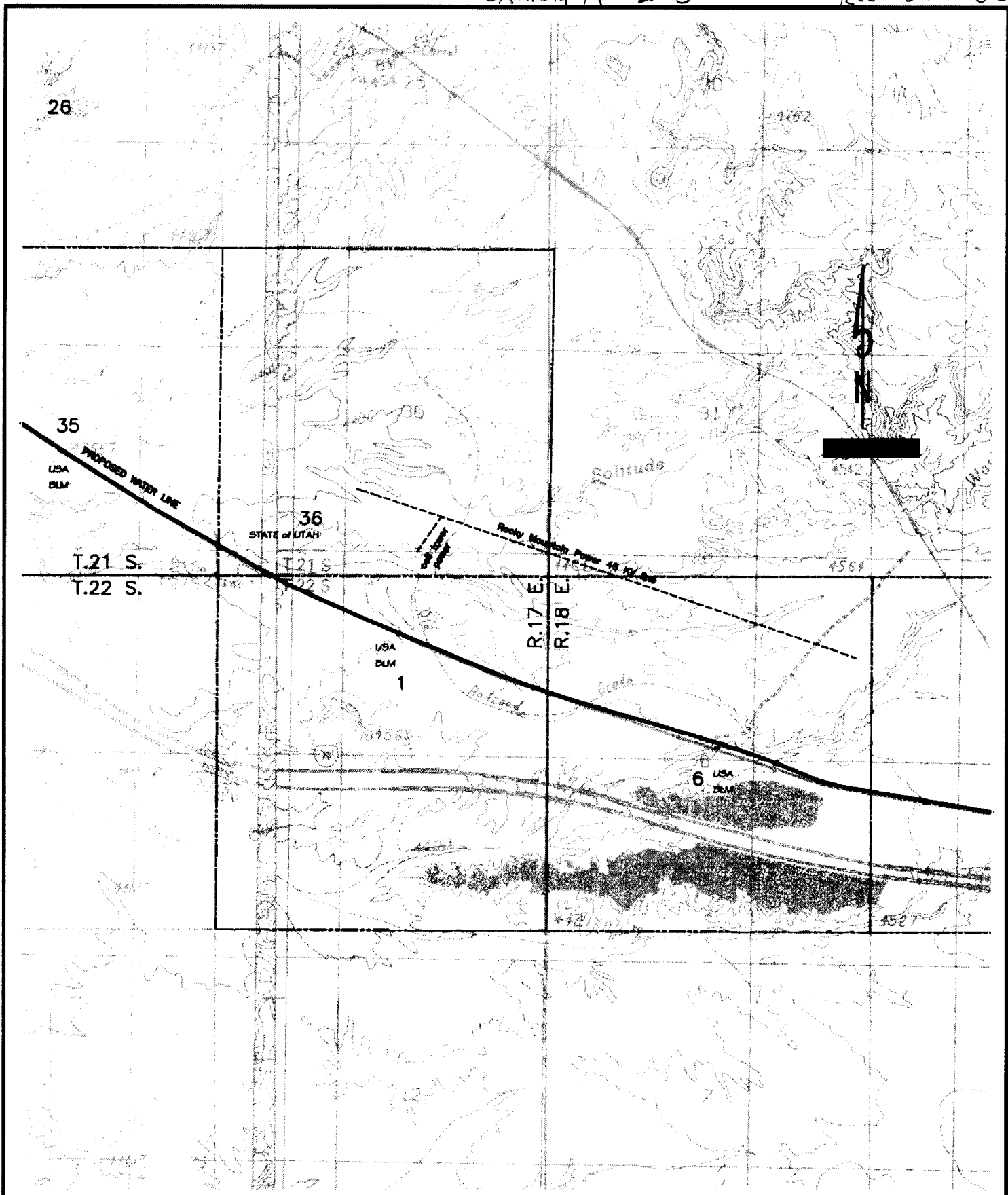


**PROPOSED SITLA  
RIGHT-OF-WAY**  
Sec. 33  
T.21 S., R.19 E., SLM

**UMTRA  
GREEN RIVER to CRESCENT JUNCTION  
WATER LINE PROJECT**

**Johnsen & Tuttle ENGINEERING INC.**  
BOX 487, CASTLE DALE, UTAH 84513 (435) 381-2523  
FAX (435) 381-2522 email jt@ecv.net

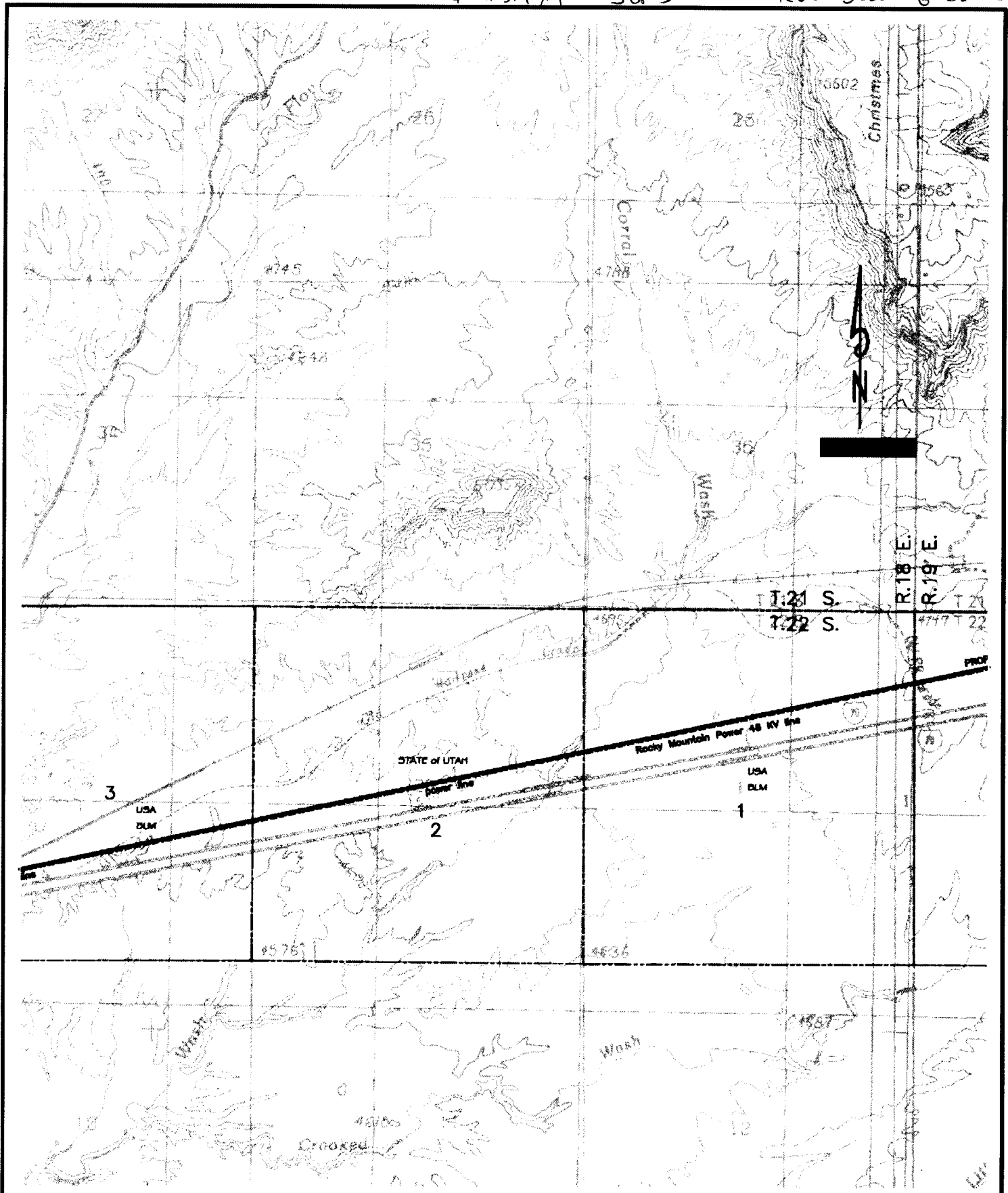
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**PROPOSED SITLA  
RIGHT-OF-WAY**  
Sec. 36  
T.21 S., R.17 E., SLM

**UMTRA  
GREEN RIVER to CRESCENT JUNCTION  
WATER LINE PROJECT**

**Johansen & Buttle ENGINEERING INC.**  
BOX 487, CASTLE DALE, UTAH 84513 (435) 381-2523  
FAX (435) 381-2522 email j@jebv.net



**PROPOSED SITLA  
RIGHT-OF-WAY**  
Sec. 2  
T.22 S., R.18 E., SLM

**UMTRA  
GREEN RIVER to CRESCENT JUNCTION  
WATER LINE PROJECT**

**Johansen & Buttle ENGINEERING INC.**  
BOX 487, CASTLE DALE, UTAH 84513 (435) 381-2523  
FAX (435) 381-2522 email jbut@jbut.net

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**EXHIBIT B**  
**State Issued Interests**

Easement No. 408

Emery Telcom  
P.O. Box 629  
Orangeville, UT 84537

Right of Way No. 633-D

Utah State Road Commission  
Capitol Building  
Salt Lake City, UT 84103-1781

Grazing Permit No. 20912

Nick Sampinos  
S. Stamatakis  
897 North 100 East  
Price, UT 84501

Grazing Permit No. 20928

Gurney & Gurney, LLC  
P.O. Box 456  
Aurora, UT 84620

Grazing Permit No. 23234

Nick and Toni Sampinos  
897 North 100 East  
Price, UT 84501

Mineral Lease No. 46662

EnCana Oil & Gas (USA) Inc.  
Attn: Doug Jones  
370 17<sup>th</sup> Street, Suite 1700  
Denver, CO 80202

Mineral Lease No. 47576

Tidewater Oil & Gas Company, LLC  
110 16<sup>th</sup> Street, Suite 1220  
Denver, CO 80202-5211

Mineral Lease No. 49123

Tidewater Oil & Gas Company, LLC  
110 16<sup>th</sup> Street, Suite 1220  
Denver, CO 80202-5211

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Easement No. 1345  
Department of Energy  
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Mineral Lease No. 49937

Neutron Energy, Inc.  
5320 North 16<sup>th</sup> Street, Suite 114  
Phoenix, AZ 85016-3241

**EASEMENT NO. 1345**  
**Exhibit "B" - Continued**

Mineral Lease No. 50936

Jick V. Taylor  
P.O. Box 464  
Moab, UT 84532

Initials: JS NT  
Gov State